SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

MEMORANDUM

DATE: January 28, 1987
TO: Engineering Division Technical Staff
FROM: Sanford M. Weiss, Director of Engineering /s/ SMW
SUBJECT: Offset Credits for Shutdowns

The purpose of this memo is to give you guidance with respect to implementing Rule 1306(c)(1)(D) dealing with the calculation of emission credits as a result of shutting-down equipment.

Rule 1306(c)(1)(D) specifies that emission reductions calculated in accordance with the Rule will be multiplied by 0.9 in cases of removal from service. The specified section also limits the application of the reduction factor by specifying two cases under which the factor will not be applied:

1. The shut-down is accompanied by replacement of functionally equivalent units.
2. The units are removed as part of a project for which permits to construct are required.

To implement the provisions of this rule, I would like you to apply the 0.9 factor by assuming that it generally applies to all cases. The exceptions listed above will apply only to the same premise. I have consulted with District Counsel on this situation and he is in agreement with the guidance outlined above.

There is a potential for double counting in connection with shut-down certificate credits issued since many of them may have had the 0.9 factor applied and hence the certificate may show reduced emissions (a certificate ERC is a reduction credit issued under the District's banking program). For those credits issued before the date of this memo the processing engineer for a permit unit which uses such ERCs for offsets must check the file which granted the certificate credit to determine whether the reduction factor has already been applied. An indication to that effect will be placed in the file. For those ERCs to be issued after the date of this memo, the certificate amount is to be the correct emission credit without the reduction resulting from using the 0.9 factor.

SMW:cpq